

FISCAL INFORMATION

Funding Summary

Funding for the first four years of the CALFED Program (beginning in 2000 with the signing of the Record of Decision) is summarized in the following charts and tables. Funding over the first four years has been primarily from the state general fund and state bonds. Since the ROD, approximately \$2.9 billion has been invested in water supply, water quality and ecosystem restoration programs and projects in the 51 counties that depend on the Bay-Delta system for all or part of their water needs. Of the \$2.9 billion, approximately \$1.5 billion has been contributed by the state; \$1.2 billion from water users and local matching funds; and \$200 million from federal taxpayers sources. Federal authorization of the CALFED Program was signed in 2004 and is expected to increase the federal funding for the Program. Remaining state bond funds are expected to be expended over the next two years.

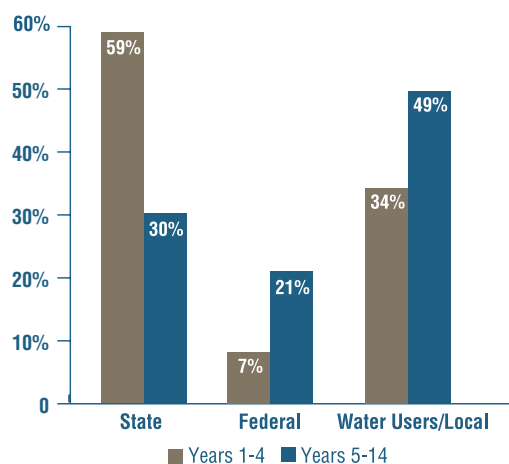
Finance Plan

To address the need for additional funding for the CALFED Program, and to ensure the Program is supported by all beneficiaries, the California Bay-Delta Authority developed a Finance Plan that provides a framework to support critical water and environmental projects in California through 2014 (the next 10 years). Consistent with the beneficiary-pays principle in the ROD, the Plan provides a framework to allocate Program costs based on Program benefits.

Finance Plan Highlights:

- Establishes a set of principles to guide future funding decisions.
- Identifies program priorities, funding needs and beneficiaries across all CALFED activities, based on a comprehensive review.
- Reduces the average annual cost of the Program from \$1.26 billion to \$807 million per year - a 36 percent reduction.
- Reduces the state's overall contribution from 59 percent to 30 percent. State bonds or other new funding sources will be needed.
- Increases the federal contribution from 7 percent to 21 percent. New federal authorization for the CALFED Program is a significant step towards this goal.
- Increases water user and local contributions from 34 percent to 49 percent - from 6 to 9 percent for water users and from 28 to 40 percent for the local match.
- Identifies new water user fees for specific programs based on expected program benefits.

Comparison of Past and Proposed Cost Shares



CALFED Bay-Delta Program Finance Plan (\$ in millions)

Program Element	Funding Target	State	Federal	Water Users/Local
Ecosystem Restoration	\$1,500	\$542	\$408	\$550
Environmental Water Account	\$438	\$180	\$135	\$123
Water Use Efficiency	\$3,153	\$575	\$530	\$2,048
Water Transfers	\$6	\$6		
Watershed	\$423	\$196	\$161	\$66
Water Quality	\$276	\$81	\$72	\$123
Levees	\$446	\$186	\$175	\$85
Storage	\$1,087	\$292	\$36	\$759
Conveyance	\$185	\$109	\$6	\$71
Science	\$437	\$167	\$151	\$119
Oversight & Coordination	\$121	\$75	\$46	
Total Dollars	\$8,073	\$2,408	\$1,722	\$3,944
Total Percentage	100%	30%	21%	49%

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CALFED Bay Delta Program¹ Years 1-4 Funding (\$ in millions)

Program Element	Total Years 1-4	State Funding ²						Federal Funding ³				Water User/Local Funding ⁴		
		General Fund	Prop 204	Prop 13	Prop 50	Other State Funds ⁵	State Subtotal	USBR	Other Federal ⁶	Federal Subtotal	SWP	CVPIA RF	Local Grant Matching	User/Local Subtotal
Ecosystem Restoration	653.7	12.4	329.7	30.4	68.3	6.1	446.9	15.3	15.7	31.1	15.8	87.2	72.7	175.7
Environmental Water Account ⁷	214.5	60.1	44.2	6.3	85.9		196.5	17.5	0.5	18.0				
Water Use Efficiency	636.6	25.9		78.0	69.9	6.6	180.4	86.0		86.0			370.2	370.2
Conservation	125.2	25.1		39.0	35.9	6.6	106.5	6.4		6.4			12.2	12.2
Recycling	486.4	0.8		39.0	9.1		48.8	79.6		79.6			357.9	357.9
Desalination	25.0				25.0		25.0							
Water Transfers	2.1	1.7				0.1	1.8	0.2		0.2				
Watershed	106.3	14.2		19.7	44.1	1.1	79.1		3.4	3.4			23.9	23.9
Drinking Water Quality ⁸	93.8	16.9		46.3	21.2	0.4	84.8		2.4	2.4	0.8		5.9	6.7
Levees	83.2	5.8	11.2	27.3	23.5		67.8		0.7	0.7	1.1		13.5	14.6
Storage	900.9	39.2		195.8	40.3		275.2	25.6		25.6	0.1		600.0	600.1
Surface Storage ⁹	84.0	22.9		14.0	26.5		63.4	20.5		20.5	0.1			0.1
Groundwater Storage & Other	816.9	16.2		181.7	13.8		211.8	5.1		5.1			600.0	600.0
Conveyance ⁸	92.0	7.4		36.6	0.6		44.7	6.5		6.5	32.9	8.0		40.9
Science	87.0	18.0			20.8	4.1	42.8	21.4	7.8	29.2	14.2		0.8	15.0
CBDA Science	41.6	16.9			20.5		37.3	1.2	3.1	4.3				
IEP	45.4	1.1			0.3	4.1	5.5	20.2	4.7	24.9	14.2		0.8	15.0
Water Supply Reliability	27.5				27.5		27.5							
Oversight & Coordination	41.1	36.2					36.2	3.8	1.1	4.9				
Grand Total	2,938.5	237.7	385.1	440.3	402.1	18.5	1,483.6	176.4	31.6	208.0	64.8	95.2	1,086.9	1,247.0

1 The Bay Delta Authority tracks the cumulative spending and progress of several state and federal agencies toward planning objectives set forth in the ROD. The figures in this chart provide a broad overview of the cumulative funding by federal and state agencies under individual authorities and programs, many of which pre-date the ROD. While the agencies cooperate with each other through the Program, and they sometimes jointly fund or implement specific projects, they maintain their authority to make final decisions on their own projects.

2 State funding includes bond funds, General Fund, and other state funding from the Resources Agency, California Bay-Delta Authority, Department of Water Resources, Department of Fish and Game, State Water Resources Control Board, Department of Forestry and Fire Protection, Department of Conservation, State Lands Commission, and the San Francisco Bay Conservation and Development Commission.

3 Federal funding includes appropriations from the U.S. Bureau of Reclamation, U.S. Army Corps of Engineers (USACE), U.S. Fish and Wildlife Service, U.S. Geological Survey, U.S. Environmental Protection Agency, and the National Marine Fisheries Service.

4 Water User/Local funding includes State Water Project Funds and CVPIA Restoration Funds that are collected from state water contractors and Central Valley Project water users, but are budgeted and appropriated through the federal and state governments. Local grant matching funds are estimated and updated as information becomes available, and include the local share for Title XVI recycling projects.

5 Includes DWR funds that contribute to the Water Conservation Program, SWRCB water rights funds that contribute to the Water Transfers Program, and Interagency Ecological Program (IER) funds from various departments that contribute to the Science Program. Also includes Ecosystem, Watershed, and Water Quality grant matching funds from state funding sources.

6 Includes funding for ERP, EWA, Levees, Science, and Oversight & Coordination from the National Marine Fisheries Service, U.S. Fish & Wildlife Service, U.S. Geological Survey, U.S. Army Corps of Engineers, and the U.S. Environmental Protection Agency. Also includes Ecosystem, Watershed, and Water Quality grant matching funds that were from federal funding sources.

7 Includes funding for EWA that was appropriated to the U.S. Bureau of Reclamation under the Conveyance Program. The federal budget cross-cut report required under the new CALFED Bay-Delta Authorization Act identifies this amount in the Conveyance element.

8 Funding for three projects formerly included in the Conveyance Program has been shifted to more appropriate funding elements: San Luis Reservoir Low Point Improvement Project is now included under Storage, and Old River & Rock Slough Water Quality Improvement Projects and Franks Tract are now included under the Water Quality Program. Full transition of these projects to the respective Program elements will be reflected in 2005.

CALFED Bay Delta Program¹ Year 5 Funding (\$ in millions)

Program Element	State Funding ²							Federal Funding ³			Water User/Local Funding ⁴			
	Total Year 5	General Fund	Prop 204	Prop 13	Prop 50 ⁵	Other State Funds ⁶	State Subtotal	USBR	Other Federal ⁷	Federal Subtotal	SWP	CYPIA RF	Local Grant Matching	User/ Local Subtotal
Ecosystem Restoration	129.4	0.9	1.6	10.0	81.2		93.7	5.7	1.6	7.2	7.3	21.2		28.5
Environmental Water Account	33.7				32.5		32.5	1.0	0.2	1.2				
Water Use Efficiency	232.6	1.5		30.0	2.0	1.8	35.2	15.7		15.7			181.7	181.7
Conservation	14.0	1.5		8.3	0.6	1.8	12.1	1.9		1.9				
Recycling	218.4			21.7	1.2		22.9	13.8		13.8			181.7	181.7
Desalination	0.2				0.2		0.2							
Water Transfers	0.6	0.5				0.1	0.6							
Watershed	28.6	0.1			28.5		28.6							
Drinking Water Quality ⁸	17.4	0.2		14.0	0.7		14.9				2.5			2.5
Levees	25.0				21.4		21.4		0.2	0.2	0.4		3.0	3.4
Storage	359.4	0.3		79.2	12.8		92.3	4.0		4.0	0.1		263.0	263.1
Surface Storage ⁹	10				6.4		6.4	3.5		3.5	0.1			0.1
Groundwater Storage & Other	349.4	0.3		79.2	6.4		85.9	0.5		0.5			263.0	263.0
Conveyance ⁸	38.9	1.0		10.3			11.3	4.0		4.0	23.5			23.5
Science	26.8			2.0	13.4	0.2	15.7	3.0	1.7	4.7	6.2		0.2	6.4
CBDA Science	15.9			2.0	13.1		15.1		0.8	0.8				
IEP	10.9				0.3	0.2	0.5	3.0	0.9	3.9	6.2		0.2	6.4
Water Supply Reliability	1.8				1.8		1.8							
Oversight & Coordination	8.2	7.4					7.4	0.5	0.3	0.8				
Grand Total	902.3	12.0	1.6	145.5	194.4	2.1	355.5	33.9	3.9	37.7	40.0	21.2	447.9	509.1

1 The Bay Delta Authority tracks the cumulative spending and progress of several state and federal agencies toward planning objectives set forth in the ROD. The figures in this chart provide a broad overview of the cumulative funding by federal and state agencies under individual authorities and programs, many of which pre-date the ROD. While the agencies cooperate with each other through the Program, and they sometimes jointly fund or implement specific projects, they maintain their authority to make final decisions on their own projects.

2 The year 5 state budget includes bond funds, General Fund, and other state funding from the California Bay-Delta Authority, Department of Water Resources, Department of Fish and Game, State Water Resources Control Board, Department of Forestry and Fire Protection, Department of Conservation, State Lands Commission, and the San Francisco Bay Conservation and Development Commission.

3 Enacted FY 2005 federal funding includes appropriations from the U.S. Bureau of Reclamation, U.S. Army Corps of Engineers (USACE), U.S. Fish and Wildlife Service, U.S. Geological Survey, U.S. Environmental Protection Agency, and the National Marine Fisheries Service. Federal FY 2005 enacted funding is subject to further reductions if required by applicable Appropriation Act language and/or agency delays in program execution.

4 Water User/Local funding includes State Water Project Funds and CVPIA Restoration Funds that are collected from state water contractors and Central Valley Project water users, but are budgeted and appropriated

through the federal and state governments. Local grant matching funds are estimated and updated as information becomes available, and include the local share for Title XVI recycling projects.

5 Regarding statewide Prop 50 funding, additional funding (not shown in this table) is available in FY 04-05 for Drinking Water Quality (chapters 4, 5, & 6) and Integrated Regional Water Management (chapter 8). A portion of this funding is expected to support CALFED Bay-Delta Program objectives.

6 Includes DWR funds that contribute to the Water Conservation Program, SWRCB water rights funds that contribute to the Water Transfers Program, and Interagency Ecological Program (IEP) funds from the Department of Fish & Game that contribute to the Science Program.

7 Includes funding for ERP, EWA, Levees, Science, and Oversight & Coordination from the National Marine Fisheries Service, U.S. Fish & Wildlife Service, U.S. Geological Survey, U.S. Army Corps of Engineers, and the U.S. Environmental Protection Agency.

8 Funding for three projects formerly included in the Conveyance Program has been shifted to more appropriate funding elements: San Luis Reservoir Low Point Improvement Project is now included under Storage, and Old River & Rock Slough Water Quality Improvement Projects and Franks Tract are now included under the Water Quality Program. Full transition of these projects to the respective Program elements will be reflected in 2005.